

February 21, 2019

By Fedex

Honorable Robert D. Drain
United States Bankruptcy Court
Southern District of New York
300 Quarropas Street
White Plains, NY 10601-4140

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Re: In re Allways East Transportation, Inc.
Chapter 7 Case No. 16-22589 and Adv. Pro. Nos. 18-08294 through 18-08330

Dear Judge Drain:

We represent Howard P. Magaliff, Chapter 7 Trustee (the “Trustee”) of Allways East Transportation, Inc., Debtor in 36 adversary proceedings (Adv. Pro. Nos. 19-08294 through 19-08329) that were filed in December 2018. An additional adversary proceeding was filed by Rich Michaelson Magaliff LLP (Adv. Pro. No. 18-08330). We are writing to provide the Court with a revised status report and brief update regarding the adversary proceedings in advance of the initial pre-trial conference scheduled for Monday, February 25, 2019 at 10:00 a.m.

As reflected in the attached chart, the Trustee and his counsel have expended significant time to try and resolve the adversary proceedings without the necessity of additional Court intervention.

1. The Trustee has executed settlement agreements or reached settlements in principle with 12 defendants. The Trustee intends to file a motion seeking Court authority authorizing entry into the settlements shortly.
2. The Trustee filed notices of dismissal for two adversary proceedings after receiving documentation from the defendants that evidenced full defenses.
3. Defendants in five adversary proceedings have neither answered nor contacted the Trustee’s counsel. Entries of default were entered by the Clerk of the Court on February 21, 2019. The Trustee anticipates filing motions requesting entry of default judgments in those adversary proceedings.
4. Defendants in seven adversary proceedings have not answered and amended summons have been issued and were served or will be re-served. The pre-trial conference for these adversary proceedings is scheduled for March 29, 2019.
5. With respect to 9 of the remaining adversary proceedings, answers have been filed or extensions have been agreed to by the Trustee. To the extent that the

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matters cannot be resolved and to alleviate the costs and burdens of discovery on both sides, the Trustee circulated a proposed scheduling order to these defendants requesting that the parties agree to mediation to be completed by May 31, 2019, with a stay of formal discovery pending the conclusion of mediation. If the parties cannot resolve the complaints through mediation, the proposed scheduling orders requests an August 31, 2019 discovery deadline with a date to be determined by the Court for a final pre-trial conference.

To the extent the defendants agree to the proposed scheduling order we intend to submit proposed stipulated scheduling orders to the Court in advance of the hearing. To date, proposed scheduling orders have been submitted with respect to four of the adversary proceedings.

6. With respect to one defendant, no answer was filed and the Trustee was contacted by a law firm after the deadline requesting an extension of time to respond. No formal agreement was reached to extend time, however, the requested extended time has now passed.
7. With respect to the final defendant being handled by Rich Michaelson Magaliff LLP, I understand that the parties extended the deadline to respond and are exchanging documents in an attempt to resolve the matter.

Respectfully,

/s/ Jeffrey Traurig

Jeffrey Traurig

cc: Howard P. Magaliff, Chapter 7 Trustee
Counsel to the adversary proceeding defendants that have appeared (via email).

Allways East Transportation, Inc., Case No. 16-22589
Status of Adv. Pro. Nos. 18-08294 through 18-08330

	Adversary Proceeding Number	Defendant(s)	Procedural Posture and Status
1	18-08294	New York Life Insurance and Annuity Corporation d/b/a New York Life Insurance Company and John Doe Corporation 1-9	Settlement agreed to in principle; subject to documentation and Court approval.
2	18-08295	Harrah's Atlantic City Operating Company, LLC	Answer Filed. A proposed Scheduling and Pre-Trial Order has been submitted to the Court.
3	18-08296	Goldschmidt & Genovese, LLP	Answer Filed. Trustee circulated proposed Scheduling and Pre-Trial Order to Defendant.
4	18-08297	T-Mobile USA, Inc.	Settlement Agreement executed, subject to filing 9019 motion and Court approval.
5	18-08298	Ferncliff Cemetery Association	Settlement Agreement executed, subject to filing 9019 motion and Court approval.
6	18-08299	Chase Bank USA, N.A. and John Doe Corp. No. 1 through John Doe Corp. No. 5	Answer Filed. A proposed Scheduling and Pre-Trial Order has been submitted to the Court.
7	18-08300	The Maddox Law Firm, LLC	Settlement agreed to in principle; subject to documentation and Court approval.
8	18-08301	American Express Prepaid Card Management Corporation	Settlement agreed to in principle; subject to documentation and Court approval.
9	18-08302	Saybrook Motorsports, LLC	Entry of default entered on February 21, 2019.
10	18-08303	Yonkers Racing Corporation d/b/a Empire City Casino	No answer filed. Trustee agreed to extend the time to answer to March 1, 2019, subject to the Court's approval. Trustee circulated proposed Scheduling and Pre-Trial Order to Defendant.
11	18-08304	Dave's Cast of Characters, Inc.	Settlement Agreement executed, subject to filing 9019 motion and Court approval.
12	18-08305	Discover Bank	Settlement Agreement executed, subject to filing 9019 motion and Court approval.
13	18-08306	Extoil, Inc.	No answer filed. Trustee contacted by law firm regarding extension of time to respond. No agreement was reached and the requested time for extension has passed.
14	18-08307	Ernie & John Auto Repair, Inc. d/b/a Country Club Service Station d/b/a Country Club Service	Settlement agreed to in principle; subject to documentation and Court approval.
15	18-08308	Cesarina Loaiza a/k/a Cesarina Rosario	No Answer Filed. An Amended Summons was issued and will be re-served. The Pre-Trial Conference is Scheduled for March 29, 2019.
16	18-08309	Action Auto Mart, Inc.	Settlement Agreement executed, subject to filing 9019 motion and Court approval.
17	18-08310	Clifford H. Greene & Associates	Settlement Agreement executed, subject to filing 9019 motion and Court approval.
18	18-08311	Freedom Financial Consulting, Inc.	No answer filed. Time to answer extended through February 22, 2019. Trustee circulated proposed Scheduling and Pre-Trial Order to Defendant.
19	18-08312	Nadim Sayegh	Answer Filed. A proposed Scheduling and Pre-Trial Order has been submitted to the Court.
20	18-08313	CJ Fleet Maintenance Inc.	Entry of default entered on February 21, 2019.
21	18-08314	Goosetown Enterprises, Inc. d/b/a Goosetown Communications	Settlement Agreement executed, subject to filing 9019 motion and Court approval.
22	18-08315	B.A.B. Group X, LLC	No Answer Filed. An Amended Summons was issued and will be re-served. The Pre-Trial Conference is Scheduled for March 29, 2019.

23	18-08316	Campana Bros. Inc. d/b/a Campana Brothers Inc.	Answer Filed. Trustee circulated proposed Scheduling and Pre-Trial Order to Defendant.
24	18-08317	R&B Check Cashing Corp.	Entry of default entered on February 21, 2019.
25	18-08318	380 Riverdale Ave, Inc.	Settlement Agreement executed, subject to filing 9019 motion and Court approval.
26	18-08319	Randy Wetzel	Notice of Dismissal Filed. Case Closed.
27	18-08320	Pablo Wulczyn	Entry of default entered on February 21, 2019.
28	18-08321	Elida Wulczyn	Entry of default entered on February 21, 2019.
29	18-08322	Broadway Advance LLC	Answer Filed. A proposed Scheduling and Pre-Trial Order has been submitted to the Court.
30	18-08323	Frank Caputo	Answer Filed. Trustee circulated proposed Scheduling and Pre-Trial Order to Defendant.
31	18-08324	Edward Koller	No Answer Filed. An Amended Summons was issued and will be re-served. The Pre-Trial Conference is Scheduled for March 29, 2019.
32	18-08325	Vincent Gurgigno	No Answer Filed. An Amended Summons was issued and will be re-served. The Pre-Trial Conference is Scheduled for March 29, 2019.
33	18-08326	Wink Check Cashing Corp. and Nancy Munoz	No Answer Filed. Pre-Trial Scheduled for 3/29/19, Amended Summons Served.
34	18-08327	Sacks & Associates	Notice of Dismissal Filed. Case Closed on 1/23/19.
35	18-08328	Judith Koller	No Answer Filed. An Amended Summons was issued and will be re-served. The Pre-Trial Conference is Scheduled for March 29, 2019.
36	18-08329	Lori Jackman and Lori Jackman Ventures Ltd.	No Answer Filed. Pre-Trial Scheduled for March 29, 2019 Amended Summons Served.
37	18-08330	Wells Fargo Home Mortage Inc.	Complaint filed by Rich Michaelson Magaliff LLP. Time to respond has been extended by the parties.